H.E. Dr. Salam Fayyad  
Prime Minister and Minister of Finance  
Palestinian Authority  
Ramallah  

April 30, 2012  

Amendments to Legal Agreements to Allow the Use of Electronic Means for Delivering Applications for Withdrawal and Supporting Documentation

We refer to the legal agreements for the projects set out in Attachment I to this Amendment Letter (individually a “Legal Agreement” and collectively, the “Legal Agreements”) between the Palestine Liberation Organization (for the Benefit of the Palestinian Authority) (the “Recipient”), on the one part, and the International Development Association (variously “World Bank”, “IDA”), acting as Administrator of the Trust Fund for Gaza and West Bank, on the other part, as amended to date. We also refer to our recent decision to allow the use of electronic means for delivering applications for withdrawal and supporting documentation for projects financed by the Bank out of its own resources or as administrator of trust fund grants provided by other donors.

Accordingly, we propose to amend the Legal Agreements by incorporating the provisions of the Annex set forth in Attachment II to this Amendment Letter as an integral part of the Legal Agreements.

All terms of the Legal Agreements not hereby amended shall remain in full force and effect.

Please indicate your agreement with the foregoing amendments to the Legal Agreements on behalf of the Recipient by countersigning and dating the two original copies of this Amendment Letter and returning one countersigned original to us. Upon receipt by the Bank of this countersigned copy of this Amendment Letter, the foregoing amendments shall become effective as of the date of the countersignature. We also request that you notify all relevant project implementing entities of the above amendments.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mariam Sherman  
Country Director  
West Bank and Gaza Country Department  
Middle East and North Africa Region
AGREED:

PALESTINE LIBERATION ORGANIZATION
(for the benefit of Palestinian Authority)

By: [Signature]

Name: [Name]

Title: [Title]

Date: [May 7, 2012]

Attachment:

✓ I. List of Amended Legal Agreements
✓ II. Terms and Conditions for Use of Electronic Means for Delivering Applications for Withdrawal and Supporting Documentation
**List of Amended Legal Agreements**

<table>
<thead>
<tr>
<th>SN</th>
<th>Financier</th>
<th>Loan No</th>
<th>Description</th>
</tr>
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<tr>
<td>1</td>
<td>TF</td>
<td>54521</td>
<td>Denmark Grant Agreement for Local Government Capacity Building, March 22, 2005</td>
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<td>European Community Grant Agreement Relating to North Gaza Emergency Sewage Treatment Project in the West Bank and Gaza, December 7, 2006</td>
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<td>Sweden Grant Agreement Relating to North Gaza Emergency Sewage Treatment Project in the West Bank and Gaza, January 18, 2006</td>
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<td>57109</td>
<td>Belgium Grant Agreement Relating to North Gaza Emergency Sewage Treatment Project in the West Bank and Gaza, October 2, 2006</td>
</tr>
</tbody>
</table>
ANNEX

Terms and Conditions for Use of Electronic Means for Delivering Applications for Withdrawal and Supporting Documentation

1. **General.** Notwithstanding any provisions to the contrary set forth or referred to in this Agreement, applications for withdrawal, applications for special commitments, and documentation in support thereof (such applications and supporting documentation together referred to as "Applications"), may be delivered by electronic means to the Bank on the terms and conditions set forth in this Annex; and such Applications so delivered shall be deemed to have been duly given or made when they have been delivered by such electronic means to the Bank.

2. **Electronic Delivery.** Officials of the Recipient may deliver Applications electronically on behalf of the Recipient if they: (a) have been designated in writing by the Recipient, pursuant to the terms set forth or referred to in this Agreement, to sign and deliver Applications, (b) are registered as users of the Bank’s “Client Connection” (“CC”) website (https://clientconnection.worldbank.org), and (c) have received from the Bank secure identification devices ("Tokens") for the purpose of delivering Applications by electronic means. The Recipient may continue to exercise the option of preparing and delivering Applications in paper format. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

3. **Authorized Signatories.** Subject to any notice received by the Bank from the Recipient pursuant to Section 5(a)(i) below, the Recipient represents and warrants to the Bank (and such representations and warranties shall be relied upon by the Bank) that all officials authorized or to be authorized by the Recipient to sign Applications pursuant to the provisions set forth or referred to in this Agreement (collectively the "Signatories" and individually, a "Signatory") are hereby also authorized by the Recipient to accept Tokens and to deliver such Applications by electronic means in accordance with the terms and conditions stipulated in this Annex. This authorization is in addition to any authorization from the Recipient currently in the Bank’s records with respect to this Agreement.

4. **Terms and Conditions of Use of Tokens to Process Applications.** The Recipient shall abide by the Terms and Conditions of Use of Secure Identification Device in Connection with Use of Electronic Means to Process Applications ("Terms and Conditions of Use of Tokens") set forth in paragraph 5 of this Annex. The Recipient also represents and warrants to the Bank (and such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Tokens, shall be relied upon by the Bank) that the Recipient shall deliver the Terms and Conditions of Use of Tokens to each Signatory and shall cause each Signatory to abide by those terms and conditions.

5. **Terms and Conditions of Use of Secure Identification Device in Connection With Use of Electronic Means to Process Applications.** The Bank will provide Tokens to permit the Recipient to deliver Applications to the Bank electronically, on the terms and conditions of use specified herein.
(a) Identification of Users

i. The Recipient will be required to have identified in a completed authorized signatory letter ("ASL") duly delivered to and received by the Bank each Signatory who will be authorized to deliver Applications. The Bank will provide Tokens to each Signatory identified in the ASL, as provided below. The Recipient shall also immediately notify the Bank if a Signatory is no longer authorized by the Recipient to act as a Signatory.

ii. Each Signatory must register as a user on the Bank’s “Client Connection” website (https://clientconnection.worldbank.org) prior to delivery of Tokens. Registration on CC will require that the Signatory establish a CC password ("CC Password"). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user ("CC User"), the Signatory will be assigned a unique identifying account name.

(b) Distribution, Initialization and Return of Tokens

i. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

ii. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

iii. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

iv. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number ("PIN") to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a "Token User". The Bank will maintain in its database a user account ("Account") for each Token User for purposes of managing the Token of the Token User. Neither the Recipient nor the Token User will have any access to the Account.

v. Prior to first use of the Token by the Token User for delivering Applications, the Recipient shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

vi. Tokens shall be promptly returned to the Bank upon request of the Bank.

(c) Management of Tokens

i. Tokens will remain the property of the Bank.

ii. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in this Agreement and these Terms and Conditions. Any other use of the Token is prohibited.

iii. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Recipient, or third parties.
iv. The Recipient undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

**Security**

A. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

B. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

C. The Token User shall always logout from Client Connection when not using the system. Failure to logout properly can create a route into the system that is unprotected.

D. If the Token User believes a third party has learned his/her PIN or has lost his/her Token he/she shall immediately notify clientconnection@worldbank.org.

E. The Recipient shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised Tokens, and take other reasonable steps to ensure such Tokens are disabled immediately.

**Care of Tokens**

F. Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation ("EMR"), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Token.

G. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care Tokens are available at http://www.rsa.com.

v. **Replacement**

A. Lost, damaged, compromised (in terms of E, above) or destroyed Tokens will be replaced at the expense of the Recipient.

B. The Bank reserves the right, in its sole discretion, not to replace any Token in the case of misuse, or not to reactivate a Token User’s Account.
vi. **Reservation of Right to disable Token**

A. The Recipient shall reserve the right to revoke the authorization of a Token User to use a Token for any reason.

B. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a Token, de-activate a Token User’s Account or both.